

MILITARY PERSONAL PROPERTY AND CLAIMS SYMPOSIUM

21 September 2004

Military Surface Deployment and Distribution Command (SDDC)

**Holiday Inn Eisenhower Metro Center
2460 Eisenhower Avenue
Alexandria, VA 22314**

Military Chairperson

Colonel Thomas G. Keller

Industry Chairperson

Mr. Steve Hollingsworth

AGENDA SUMMARY

0830 hours – 0840 hours	Opening Comments
0840 hours – 0900 hours	Digital Certificate (Presentation)
0900 hours – 0930 hours	Tours of Duty (Presentation)
0930 hours – 1200 hours	Topics
1200 hours – 1300 hours	Lunch Break
1300 hours – 1500 hours	Topics

OLD BUSINESS

<u>ITEM</u>	<u>SUBJECT</u>	<u>PROPONENTS</u>
305	Plasma TVs	American Moving and Storage Association Acquisition and Services Branch
307	Digital Certificates	American Moving and Storage Association Carrier Qualification and Performance Team
310	Item 616 (Rate Filing Procedures) – 60% Differential Cap in M/T Phase	American Moving and Storage Association Domestic and International Rates Team

OLD BUSINESS (continual)

<u>ITEM</u>	<u>SUBJECT</u>	<u>PROPONENTS</u>
312	Traffic Distribution	American Moving and Storage Association Personal Property Systems Team
313	JPPSO-COS Traffic Distribution	American Moving and Storage Association Military Services
318	Tours of Duty	American Moving and Storage Association Military Services (USAF and DA)
320	Long Deliveries out of SIT	American Moving and Storage Association Domestic and International Rates Team
323	Force JPPSO GBL/BL Production Failures	American Moving and Storage Association Military Services (USAF)
329	DTR (Appendix N) Transit Time Guide	Household Goods Forwarders Association Operations Team
331	DTR (Page IV O, para c) Quality Assurance (Invalidated LOIs)	Household Goods Forwarders Association Carrier Qualification and Performance Team

NEW BUSINESS

337	Unearned Freight	American Moving and Storage Association Military Services (Air Force)
338	Financial reviews for re-qualification deadline date	American Moving and Storage Association Carrier Qualification and Performance Team
339	Regular suspension clarification	American Moving and Storage Association Carrier Qualification and Performance Team
340	Submission of 1840's	American Moving and Storage Association Carrier Qualification and Performance Team
341	TQAP Scores for Reinstated Carriers	American Moving and Storage Association Carrier Qualification and Performance Team
342	LOI processing in 30 days	American Moving and Storage Association Carrier Qualification and Performance Team

NEW BUSINESS (continual)

343	Expiration of SIT	American Moving and Storage Association Operations Team
344	Booking with other than the booking Agent	American Moving and Storage Association Military Services (Air Force)
345	Full Value Coverage	American Moving and Storage Association Military Services
346	Agent representation in Zone	American Moving and Storage Association Operations Team Air Force Services
347	TQAP scores via web	American Moving and Storage Association Carrier Qualification and Performance Team Air Force Services
348	Container Banding – Alternate Methods	Household Goods Forwarders Association Operations Team
349	DTR – SIT Conversions to Private (Commercial) Storage	Household Goods Forwarders Association Operations Team
350	Ocean Bill of Lading	General Services Administration Domestic and International Rates Team

ITEM: 305

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Acquisition and Services Branch

SUBJECT: Plasma TVs

INITIATED: February 13, 2004

DISCUSSION: Industry has done research on this topic and has determined that most manufacturers require very specialized preparation for shipment that would typically involve 3rd party servicing of the item. They require specialized crating and "tip and tell" indicators. Plasma TV's cannot be safely exposed to temperatures which would occur normally in the handling of a shipment in an enclosed van--exposure to temps below 32 degrees or above 100 degrees can cause permanent damage to the item, which would be an inherent vice. Movement through or use in a high altitude area over 6000 feet may seriously degrade the performance of the TV due to the sensitivity of the components in the TV. All of this will undoubtedly lead to large claims.

RECOMMENDATION: Because of the significant inherent vice associated with Plasma TVs, which are not designed for safe movement, carriers should not be responsible for damage to such TVs absent evidence of mishandling. SDDC and PPSOs should also authorize and pay for 3rd party servicing and crating of all plasma TV's to ensure their safe preparation and handling.

RESPONSE: (M/I-3 Mar 04) SDDC's Acquisition and Services Branch is reviewing this item with the Military Services and the Claims Offices. A response will be provided NLT 1 Jun 2004.

SUMMARY: (21 Sep 04) We were not able to collect the shipping data needed on Plasma TV's by 1 Jun 04. After completing our research and presenting our findings to the military services, there was no support to declare this item an inherent vice.

SDPP-PA/PO conducted extensive research on the crating, transportation, and storage of plasma TV's by contacting numerous manufacturers, distributors, domestic and international transportation service providers, and storage providers. Questions were asked to all parties regarding temperature, altitude, packing, transportation, and storage restrictions. While some responses from manufacturers and distributors remained constant, such as plasma TV's must remain upright; responses regarding temperature and altitude ranges varied. Transportation service providers do not provide climate-controlled vehicles. Unless requested and available, storage providers do not provide climate-controlled facilities.

UPDATE: (M/I 21 Sep 04) In accordance with discussion at the Military Personal Property and Claims Symposium, the Military Service HQ's have come to consensus on the following issues regarding the packing, transportation, and storage of plasma TV's:

- 1) It is the member's responsibility to ensure plasma TV's are ready for packing, ie., removal from wall, etc.**
- 2) Carriers are responsible for packing/crating plasma TV's to protect them from damage. If carriers believe third party service is necessary to properly pack/crate plasma TV's, they must contact the personal property shipping office for authorization.**
- 3) SDDC, the Service HQ, and industry have not yet reached agreement as to whether there are any inherent problems with transporting and storing plasma TV's. SDDC is continuing to conduct research with industry on these issues.**

ESTIMATED CLOSURE: Open

ITEM: 307

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: Digital Certificates

INITIATED: February 13, 2004

DISCUSSION: At the last M/I many questions were raised about the depth of requirements for digital certificates and the potentially extreme cost to the TP and agency families. If each and every person who even wants to send an email to a DOD entity or PPSO is required to have a person-specific digital certificate, the cost will be staggering. SDDC said they would review this issue and get back with more detailed guidance to the industry. Is there any likelihood of a further extension of the deadline from April 2004 to some future date?

RECOMMENDATION: SDDC should provide an update of the status of this requirement.

RESPONSE: (M/I-3 Mar 04) The deadline for digital certificates to access SDDC's ETA system stands at 30 Apr 04. DOD requirement for certificates for each person sending e-mail is also 30 Apr 04.

SUMMARY: (M/I-3 Mar 04) Since the MI, the Department of Defense has put a hold on the effective date requiring the use of digital certificate for both accessing SDDC's ETA system and sending e-mail. Further information will be provided when available.

UPDATE: (21 Sep 2004) The date for DOD to completely transition to the use of digital certificates has not been determined.

SUMMARY: (M/I 21 Sep 04) Industry accepted this item at the 21 Sep 2004 M/I. This item will remain open.

ESTIMATED CLOSURE: Open

ITEM: 310

PROPONENT: American Moving & Storage Association

STAFF PROPONENT: Domestic and International Rates Team

SUBJECT: Item 616 (Rate Filing Procedures) – 60% Differential Cap in M/T phase

INITIATED: February 13, 2004

DISCUSSION: SDDC created M/T rate restrictions in RS-D8. Industry is concerned that the capacity in certain lanes, both short and long haul may be left without valid rates after one or more L/C cycle(s). This would likely occur when a bidder files a low rate (e.g. 60%) and after seeing that his rate was not widely met-to'd, decides to cancel during an L/C cycle. If the next available I/F rate available for M/T filing was over 120%, the remaining industry capacity would not be available to service the shipments in these channels. In the past, MTMC has seen channels where VERY few bidders met a low I/F filed to a nearby state, or in a pattern of service that is difficult. It is at least possible that the carrier that submitted the low I/F will decide to cancel its low rate.

In the event there is no valid rate to a destination state from an origin GBLOC, there would be no TOPS generated TDR for the PPSO to assign an order to a carrier. As a result of this lack of M/T interest and subsequent rate cancellation by a single or small number of M/T bidders resulting in no rates to a specific channel(s), for the remaining portion of the rate volume/cycle after one or more L/C cycles, DOD would have options such as...

1. use OTO bid procurement from the DTR, or
2. use base purchase order to procure commercial service, or
3. use volume move procurement from the DTR, or
4. re-open M/T bidding with industry that excludes the canceled/ineffective rate.

Examples are:

Redstone Arsenal: MS 80; TN 60

Annapolis: PA 60

Whiteman AFB: AR 60

Seymour-Johnson AFB: TX 95

FISC Jacksonville: CA 89

Ft Detrick: VA 99

Columbus AFB: AL 60

Wright-Patterson AFB: WV 60

Aberdeen Proving Grounds: PA 60

Ft Leonardwood: OK 80

Camp LeJuene: UT 90

Red River AD: OK 80

RECOMMENDATION: SDDC should require the rates of bidders to abide by the 200% cap (adjusted annually) during the I/F but rescind the 60% rate differential cap enabling a greater portion of industry's capacity to be available to service SDDC's moves. Otherwise, SDDC is taking a risk that may result in service failures, particularly during peak season.

RESPONSE: (M/I-3 Mar 04) Since we do not perceive a significant impact to the Personal Property Program concerning this issue, the 60% rate differential will remain in effect. PPSOs will utilize DPM or Code 2 service if needed. We will continue to watch this situation and re-evaluate if needed.

SUMMARY: (M/I-3 Mar 04) The 60% rate differential will remain in effect. Our research has shown that the problem identified by Industry affects mainly Code 2 service. Only a few Code 1 channels were affected. We will continue to monitor and re-evaluate if needed.

UPDATE: (21 Sep 04) The 60% rate differential will remain in effect. Evaluation of the 45K+ accepted M/T rates conducted for the DS04 rate cycle showed that the problem identified by industry affects mainly Code 2 service. The following facts are noted from our data research:

- 1) There were 548 Code 2 channels where a "Me-Too" rate was not submitted. These were spread out over 39 GBLOCs, for an average of 14 channels per GBLOC where there was no "Me-Too" rate submitted.
- 2) Of these 548 Code 2 rates, 508 were > 120%, with the lowest rate at 100% of the base.
- 3) There were no Code 1 channels without a "Me-Too" rate. Only six Code 1 channels had one "Me-Too" rate.
- 4) There was only one Code 1 channel at 60% having the lowest number of "Me-Too's", with four. There were only two Code 1 channels at 80%, with 2 and 3 "Me-Too's" respectively.

We will continue to monitor and re-evaluate as needed in upcoming rate cycles at the appropriate time during each cycle.

Industry has accepted this item at the 21 Sep 04 M/I. They wanted this item to remain open for further monitoring.

ESTIMATED CLOSURE: Open

ITEM: 312

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Personal Property Systems Team

SUBJECT: Traffic Distribution

INITIATED: February 13, 2004

DISCUSSION: There seems to be some confusion regarding how TDRs are set up in TOPS and then traffic distributed.

RECOMMENDATION: Someone from TOPS should explain exactly how TDRs are set up in TOPS, including how carriers are ranked for distribution of shipments.

RESPONSE: (M/I-3 Mar 04) The process for setting up and managing TDRs in the TOPS Application mirror the requirements and guidelines defined in the DTR. The TOPS Application manages and maintains the following types of TDRs: Domestic Interstate; Domestic Intrastate; International HHG; International UB. As established by the DTR the TDRs are set up as follows:

T. DOMESTIC TDR

1. Interstate.

- a. Separate TDRs will be established for Codes 1A and 2A shipments for each CONUS destination State and the District of Columbia. Separate TDRs will also be established for each area of operation within the AOR for each TO to each destination State. If there is more than one rate level to a destination State or the District of Columbia, like rates will be grouped from the low to high rate.**
- b. TDRs are set up with an average shipment score for each carrier and new rates published for the rate cycle. The low rate carrier (within each rate group) with the highest average shipment score will be awarded traffic first unless an authorized exception applies. All tonnage is set to zero at the beginning of each new rate cycle. Average shipment scores are based on the carrier's performance during the previous performance period. When a carrier has not been tendered any shipment or shipments have not been scored, the carrier's last score will be carried forward. New carriers are placed on the TDR with an administrative score of 90. Carrier's average shipment score will be extended to the second decimal place, e.g., 99.78, without rounding. Carriers with equal scores (within the same rate group) will be brought forward on the new cycle TDR (using previous tonnage as a factor) from low to high tonnage. When scores, tonnage, and rates are all equal, a random selection is made.**

- c. **The most eligible carrier to receive the next shipment is the one with the highest performance score and lowest cumulative weight. When sufficient shipments are known by historical review to be available during a cycle, shipments may be allocated sequentially to give each carrier a shipment (or charge a refusal) during the initial movement through the TDR from the first to last carrier at the same rate level. Subsequent shipments in the same rate cycle will be allocated to correct an imbalance in weight allocated. If sufficient shipments are not projected to be available to permit a run through the entire TDR and to correct the resulting imbalances, sequential allocation may not be practical. When determining the projected availability of traffic for this purpose, historical data from a like cycle will be used, e.g., summer cycle data with summer cycle data from prior years. Traffic is to be managed to stay within a maximum differential of 40,000 pounds between the highest and lowest of all carriers at the rate level, to include carriers with zero weight. In a correctly maintained TDR, a carrier with a lower TQAP score will not have a higher cumulative weight than a carrier with a higher TQAP score except briefly in those situations requiring the application of sound traffic management to ensure a shipment moves in a safe and timely manner. When such situations occur, subsequent tonnage will be awarded in such a manner as to return the higher scored carriers to higher cumulative weight by the end of the rate cycle.**

2. Intrastate.

- a. **Separate TDRs will be established for Codes 1B and 2B shipments from the origin Bill of Lading Office Code (BLOC) to each destination BLOC within the State of the origin BLOC.**
- b. **The primary carrier (rate setter), who is otherwise qualified and has a TQAP score of at least 90, will receive 50 percent of the traffic. Other qualified carriers meeting the low rate will share equally in the remaining tonnage.**
- c. **If two carriers establish an identical low rate, each carrier will receive 33-1/3 percent of the tonnage. The remaining 33-1/3 percent will be awarded to the carriers meeting the low rate.**
- d. **If three or more carriers establish an identical low rate, each carrier will receive an equal percentage with the remaining carriers receiving the same percentage. Example: Three carriers submit the identical low rate with six carriers meeting the low rate. The three rate setters would each receive 25 percent of the tonnage. The other six carriers would divide the remaining 25 percent. At no time will the carriers meeting the low rate**

receive more tonnage than the rate setters. The TO will adjust percentages according to the volume of carriers involved.

- e. TOs in those States where carriers have limited operating authority will award tonnage as follows:
 - 1) Separate TDRs will be established for the State and for each destination AOR where rates are filed and accepted by HQ MTMC.
 - 2) TDRs will be established based on:
 - a) The carrier establishing the low rate will be placed on the TDR first. This low rate carrier will meet the TQAP criteria established by HQ MTMC. Those meeting the low rate will be placed on the TDR IAW their TQAP score. Carriers with equal TQAP scores will be placed on the TDR IAW low to high tonnage from the past rate cycle.
 - b) All carriers will begin the cycle with zero tonnage.
 - c) Carrier establishing the low rate will receive 50 percent of the tonnage from its AOR within its operating authority only. Example: Carrier AAAA establishes the low rate for the AOR. However, the carrier can pick up only in counties A and B of the origin AOR. Carrier AAAA will receive every other shipment from counties A and B. Carriers meeting the low rate will share in the remaining tonnage. In the event no one meets the low rate, carrier AAAA will be offered all traffic before an offer is made to a higher cost carrier. In all other areas covered by this low rate, but not a part of the low rate carrier's operating authority, tonnage will be divided equally among the carriers meeting the low rate to the extent of their operating authorities.
- 3. Shipment Refusals. Shipments refused by carriers/agents will be considered traffic offerings and added to the carrier's cumulative weight. The refusal is annotated with "RR". Short notice shipments refused by a carrier are annotated with "AZ" and are not added to the carrier's cumulative weight. A carrier/agent may notify the TO in writing to identify a period of time when they will not be accepting shipments due to peak season saturation. During this time, the carrier will automatically be charged with a refusal if they become the most eligible carrier identified for traffic on the TDR. The refusal weight is added to the carrier's cumulative weight.

4. **Pullback/Turnback.** If a shipment is pulled back or turned back, the TO will enter the code “PB” or “TB” and the weight is charged as follows:
 - a. Shipments pulled back/turned back with seven or less day’s notice of the pickup date are considered short notice shipments when reallocating to the new carrier. The new carrier is not charged tonnage on the TDR and the TDR will be annotated with a “PG” or “TC”. Shipments pulled back/turned back cannot be re-booked with the same carrier.
 - b. If a shipment is pulled back after the pickup date, or if the carrier failed to pickup on the pickup date, tonnage is added to the carrier’s cumulative weight.
 - c. A shipment turned back before or after the pickup date is charged to the carrier’s cumulative weight.

U. INTERNATIONAL TDR

1. **General.** Carriers submit rates every six months for rate channels and codes of service for international traffic.
2. **TDRs.**
 - a. Separate TDRs will be established for each TO’s AOR for each ITGBL code of service for each traffic channel based on the carrier’s rate and average shipment score. Shipments will be distributed exclusively to carriers on the lowest rate level unless the volume of traffic exceeds the capability of the low rate carriers. When this occurs, the remaining traffic will be offered to carriers on the next and succeeding rate levels. However, shipments will always be offered first to the carriers on the lowest rate level before higher rate level carriers are considered unless the primary carrier is suspended, cancels its rates, is placed in nonuse, or refuses the traffic. The TDRs will be arranged in three sections: Sections I, II, and III record all traffic offered to the primary carriers, equalization carriers, and all other participating carriers, respectively.
 - 1) **Section I.** TOs will ensure that the primary carriers are offered their designated share of traffic. Periodic weight checks will be made to minimize deviations from the designated shares due to unequal weight of shipments. Example: If weight checks indicate that the “running” total of estimated tonnage for the traffic route is 240,000 pounds, a single primary carrier with a 50 percent share will have been offered approximately 120,000 pounds.
 - 2) **Section II.** If the primary carrier’s share for a given traffic channel is 50 percent, every second shipment (subject to a consideration of

weight factors) will be offered on a rotational basis to equalization carriers. Equalization carriers are those carriers with exactly the same rates as the primary carrier. Each equalization carrier is obligated to accept residual shipments in an amount equal to one half the primary percentage. If equalization carrier capability is insufficient and there is no primary carrier or the primary carrier cannot accept additional traffic, shipments will be offered to other participating carriers. If there is no primary carrier because of rate cancellations, nonuse, traffic will be awarded equitably among the equalization carriers.

- 3) Section III. Other participating carriers will be offered any traffic that cannot be handled by primary and equalization carriers. Traffic will be offered first to other participating carriers at the lowest rate level and highest TQAP score. TOs will not penalize other participating carriers for failure to accept traffic beyond the established requirement.

Note: Estimated weights may be used in posting shipments to the TDR.

- b. The carriers' rates, LOIs on file, Carrier Approval listing, and average semiannual shipment score will be used to establish all TDRs. The share of traffic to be offered to primary carriers during the traffic distribution period is distributed with the rate solicitation each rate cycle. Other participating carriers will appear in ascending order based on lowest rate and highest TQAP score.
- c. Selective refusal of traffic by a carrier is prohibited. If a pattern is observed, action to suspend and/or request disqualification will be taken.

3. Percentage of Traffic.

- a. **Class 1 Rates.** Carriers setting the low rate in a Class 1 traffic channel will be offered 100 percent of the traffic moved within that channel. If two carriers establish an identical low rate, both carriers will be offered one half of the total tonnage or 50 percent each.
- b. **Class 2 Rates.** Carriers setting the low rate in a Class 2 traffic channel are offered a prescribed percentage of tonnage within each individual traffic channel.
 - 1) The primary carrier will be offered and is responsible for accepting actual tonnage equal to the primary percentage indicated. For example, if the primary percentage of the traffic channel is 20 percent, the primary carrier will be awarded 20 percent of the tonnage. The other 80 percent of the tonnage will be considered

residual and will be shared equally between the primary and equalization carriers. Tonnage refused by the primary and equalization carriers will then be offered to the participating carriers. Example is as follows:

1 primary carrier = 20 percent*
7 equalization carriers plus the primary carrier = 10 percent
each totaling 80 percent)* participating carriers = *

*The residual 80 percent of the tonnage will be offered equitably to the equalization (with the highest scored carriers first) and primary carriers. Any remaining traffic will then be offered to the participating carriers within the same rate groups with the highest scored carrier first.

- 2) If two carriers establish an identical low rate, each carrier will be offered the prescribed tonnage for that traffic channel. For example, if two carriers establish the low rate on a 50 percent channel, each carrier will be offered 50 percent. If two or more carriers have filed identical rates and have equal average shipment scores, the random number table contained in Item 1706 of the International Personal Property Rate Solicitation will be used to determine the standing on the TDR.
- 3) Equalization carriers may not be offered a larger share of the volume on a particular channel than the carrier establishing the low rate unless the low rate carrier is suspended or cancels its rates.
- 4) All participating carriers will accept tonnage, if offered, as follows:

50 percent channel 12 percent
30 percent channel 7 percent
20 percent channel 5 percent
10 percent channel 2 percent

- c. Class 3 Rates. Carriers will be placed on the TDR based on their average shipment score and will share equitably in traffic distribution.

SUMMARY: (M/I-3 Mar 04) Air Force will provide a response to this issue directly to the Carrier Industry.

UPDATE: (21 Sep 2004) Air Force / JPPSO-SAT & COS Response: We have run multiple tests on all codes of shipments and the TDR is set up and shipments offered according to the above mentioned TOPS process for setting up and managing TDRs.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 313

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services (USAF)

SUBJECT: JPPSO-COS Traffic Distribution

INITIATED: February 13, 2004

DISCUSSION: The TDR's for JPPSO COS and JPPSO San Antonio and others are distributing tonnage unevenly. The TDR is allocating a large percentage of the tonnage to carriers whose SCAC's start with the letters "A", "B", or "C" and whose rates and TQAP scores are identical to the carriers with SCAC's starting with letters further down the alphabet.

RECOMMENDATION: We would like to see the TDR reworked, especially in the large JPPSO's so it will allot the tonnage equitably to all participating carriers in accordance with current TDR rules.

RESPONSE: (M/I-3 Mar 04) Air Force will provide a response to this issue directly to the Carrier Industry.

SUMMARY: (21 Sep 04) It was brought to our attention that carriers may be coming up in alphabetical order on the TDR. During our testing to determine if carrier lists were alphabetized, several TDRs were created and analyzed to ensure carrier positioning and accuracy. At no time during our testing did we find a TDR where carriers were listed in alphabetical order. This is not a systemic problem, inasmuch as TOPS displays a list of eligible carriers, but does not perform carrier selection. That function is carried out by the personal property shipping office.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 318

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services (USAF and DA)

SUBJECT: Tours of Duty

INITIATED: February 13, 2004

DISCUSSION: The Army has announced its plans to extend tours of duty to as much as seven years in one location before moving soldiers to a new duty station.

RECOMMENDATION: Army should brief us on the anticipated timing and impact of their announced extension of tours of duty and resulting slowdown in PCS moves. Also request all the other Services to advise if they are considering similar policy changes.

RESPONSE: (M/I-3 Mar 04) HQDA suggests reviewing the article on Internet at <https://www.stabilization.army.mil/> to current events-recent articles then scroll to the 9 Feb article "Army Announces Force Stabilization Initiative".

SUMMARY: (M/I-3 Mar 04) Unit Manning is a part of Task Force Stabilization. Information can be found on https://www.unitmanning.army.mil/Research_items/manning_only.htm

UPDATE: (21 Sep 2004) Air Force Response: No immediate plans to change any current assignment policies regarding tour lengths, etc.

UPDATE: (21 Sep 2004) Army Response:

Army Campaign Plan (ACP): See <http://www.army.mil/thewayahead/acp.html> for the Soldier and the ACP Family Briefings.

The following is the US Army News Release, Army Public Affairs

Army announces FY05 and FY06 Modular Brigade Force Structure Decisions
July 23, 2004

The Department of the Army announced today force structure basing decisions for the new brigade combat team (units of action) BCT(UA)s in fiscal years (FY) 2005 and 2006.

The temporary stationing of modular BCT(UA)s is critical to ensure the Army is properly postured to fully support its strategic commitments, including ongoing operations in support of the global war on terror. Additionally this allows the Army to continue its transformation to a campaign-quality force with joint and expeditionary capabilities that meet the future demands of the Combatant Commanders.

In FY 05, the Army will stand up and temporarily station new modular BCT(UA)s at Fort Polk, Louisiana; Fort Richardson, Alaska, and Ft Hood, Texas. As part of the decision, the 2nd Cavalry Regiment, currently at Ft Polk, Louisiana, will move to Ft Lewis and convert to a Stryker Brigade Combat Team.

In FY 06, pending permanent stationing consistent with Base Realignment and Closure (BRAC) analysis in 2005, the Army will form and temporarily station BCT(UA)s at Fort Benning, Georgia; Fort Bliss, Texas; Fort Bragg, North Carolina; and Fort Riley, Kansas.

The locations were selected based on existing capacities, available training space, and current locations of similar units. The Army will revisit the locations of these units during the 2005 Base Realignment and Closure process.

The new modular forces will be capable of operating across the entire range of military operations. As part of Army transformation, capabilities previously found within the divisions and corps will be shifted to the BCT(UA). These new brigades are the first conversions in army transformation and are designed to deploy/employ as independent units in support of the joint force.

On January 30, 2004, the Office of the Secretary of Defense approved increasing the number of active modular Brigade Combat Team Units of Action (BCT(UA)) from 33 to 43 between FY 04-06. In accordance with the Army Campaign Plan, the Army began converting to modular designs in FY 04 with three BCT(UA)s temporarily stationed at Fort Stewart, Georgia; Fort Campbell, Kentucky; and Fort Drum, New York. The FY 05-06 actions are a continuation of that effort.

UPDATE: SDDC will establish a team comprised of the Military Services, (G4, G1) and SDDC to evaluate the Services potential force restructuring initiatives and the impact on future personal property traffic flow.

ESTIMATED CLOSURE: Open

ITEM: 320

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Domestic and International Rates Team

SUBJECT: Long deliveries out of SIT

INITIATED: February 13, 2004

DISCUSSION: Most linehaul rates are now well over 100%, but SIT delivery rates are capped at 100% of the base rates. This becomes more of a problem when shipments are ordered out of SIT for a long delivery that really is a diversion to an entirely new destination. For example, a move from Washington to Virginia is later ordered out of SIT for delivery up to New York. Obviously the service member has been given a new assignment, necessitating a second move. But instead the shipment is ordered as a delivery out of SIT at 100%, rather than whatever rate would apply from Virginia to New York.

RECOMMENDATION: SIT deliveries greater than 100 miles should be either declared as a new move or rated using the original linehaul percentage or the current rate on file from the SIT location to the ultimate destination.

RESPONSE: (M/I-3 Mar 04) SDDC will take this item under review to determine if long delivery out of SIT should be based on the carrier's rate percentage. A response will be provided NLT 1 Jun 04.

SUMMARY: (21 Sep 04)

Data was obtained from TOPS from the last 365 days (1 Apr 03 – 1 Apr 04) to determine what number and percentage of shipments, by service, were delivered 100 miles or greater out of SIT. These were:

Service	Number of Shipments Delivered out of SIT \geq 100 miles	Total Number of Shipments	Percentage of Total Number
Army	630	184,143	0.00342
Air Force	173	129,509	0.00133
Marines	98	33,385	0.00293
Navy	177	80,420	0.00220
Coast Guard	22	8,745	0.00251

Additional TOPS data on 1,915 shipments was subsequently pulled to identify shipments that fit predetermined mileage ranges, commensurate with the domestic

SIT maximum range requirement of 30 miles and 50 miles for international. These shipments identified solely the origin and destination GBLOCs and the mileage range they fell in. The GBLOCs included a variety of domestic-to-domestic, international-to-international, domestic-to-international and vice-versa, origins and destinations. Of these 1,915 shipments, only 4 were found to be delivered out of SIT within a 1-30 mile range (0.002%). 57 shipments were found to be delivered out of SIT within a 31-50 mile range (0.03%). Greater than 99% of the remaining 1,854 shipments were delivered out of SIT within a range greater than 50 miles. We were forewarned that the mileage data out of SIT should be considered suspect.

A third TOPS data pull was done that further illustrated the problem of deliveries out of SIT being greater than 50 miles. The vast majority of this data pull of 207 shipments originated from CONUS GBLOCs to the Area II Support Activity in Seoul, Korea (QXAK), with only 4 being totally international in nature. This time, the data showed the actual delivery out of SIT mileage for each shipment. There were individual mileage groups of shipments, each having the same number of miles indicated for the delivery out of SIT. Since all of these moves were international in nature, there were only three shipments under 50 miles that were delivered out of SIT (40 miles). The remaining 204 shipments had SIT delivery mileages of 53 (8 shipments), 73 (1 shipment), 75 (1 shipment), 78 (11 shipments), 91 (1 shipment), 92 (14 shipments), 93 (13 shipments), 113 (20 shipments), 153 (64 shipments), 207 (55 shipments), 226 (10 shipments), and 281 (6 shipments). In a call to JPPSO-WA outgoing section, it was determined that out of three GBLs checked out in TOPS, two of the three needed correction notices and the third had excess mileage documented as long delivery mileage.

SUMMARY AND CONCLUSION: The number of shipments where delivery out of SIT is 100 miles or greater are few and the percentages are extremely small. We cannot see this being a significant problem.

An industry services meeting will be held on this item to discuss further.

ESTIMATED CLOSURE: Open

ITEM: 323

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services (USAF)

SUBJECT: Air Force JPPSO GBL/BL Production Failures

INITIATED: February 13, 2004

DISCUSSION: We are experiencing continuing problems with JPPSO-COS, JPPSO-NE and to a smaller extent, JPPSO-SAT, in their failure to produce GBLs/BLs in a timely manner. Clearly, published procedures for where these documents are being mailed are not being followed. They do not arrive at either the agent or the carrier's facilities.

While personnel at these JPPSOs are for the most part very helpful in getting copies of the documents sent, when requested. The exception of having to request copies of these documents is becoming the normally required process.

Discussions with personnel at these JPPSOs also produce the standard response of, 'If the agent didn't get the GBL/BL it was sent to the carrier.' Unfortunately, the documents do not arrive at either location

The consistency of this problem is clear evidence that the failure cannot be a part of the mail system or the agents' or carriers' processing of these documents. Too many different parties over too long a period are involved. The problem lies at the source of these documents.

The problem is creating another growing problem whereby agents are more and more unwilling to service shipments at these JPPSOs due to the continuing frustration and financial harm this is causing. Maximum agent resources must be available to handle the upcoming peak season traffic. Diminished agent resources will only mean more work for overtaxed JPPSO staff resources, more service failures and greater relocating member dissatisfaction.

RECOMMENDATION: More resources must be devoted to these JPPSOs to handle the workload they are facing. Management clearly underestimated the resources required to maintain a quality operation that meets the expectations that were related to Industry and relocating members.

RESPONSE: (M/I-3 Mar 04) BOL/GBL is routinely provided to the TP or designated agent. Need specific examples in order to respond.

SUMMARY: (M/I-3 Mar 04) Working on developing software so Industry will have the capability to download from the Internet. There is no time frame yet.

UPDATE: (21 Sep 04) Air Force Response: JPPSO-SAT has implemented Electronic Bills of Lading for all domestic code 1 and 2 shipments and will be expanded to the other JPPSO's. The EBL is sent to the TP's designated in Block 1 of the GBL. It is the carrier's responsibility to forward the EBL to the servicing agent, selected by the carrier to move the property. BLs for other codes of shipment are picked up in person by local agents, FEDEXed (depending upon pickup date) or by regular mail. We do fax copies of international GBLs to TPs when requested.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 329

PROPONENT: HOUSEHOLD GOODS FORWARDERS ASSOCIATION

STAFF PROPONENT: Operations Team

SUBJECT: DTR (Appendix N) - Transit Times Guide

INITIATED: February 14, 2004

DISCUSSION: Industry recognizes that the Transit Times Guide (DTR Appendix N) has been deleted /removed from the DTR and will be maintained and published by SDDC to allow for flexibility in responding to changing conditions. Further, SDDC and Industry reached a temporary agreement on the application of the new (60 Day) Transit Times for the IS-04 Rate Cycle. The proposed Transit Times in Appendix N were not developed in coordination with Industry and are not based on actual transportation experience, capabilities and schedules as the transit times historically in use had been developed. Appendix N Transit Times reflect a force fed “60 Day Maximum” dictated by a former SDDC Commander. Indeed, Industry and SDDC have worked out a procedure that carriers, who failed to meet one of the new reduced transit times, would receive relief from punitive action upon showing that the 60-day Transit could not be met in that specific channel. Further, in the agreement, it was established that this 60-day limitation could not reasonably apply to Inter-theater shipments.

RECOMMENDATION: Industry requests that SDDC provide status of any on-going activity concerning International Transit Time Guides. What guidelines will be presented to Industry for use in the IW-04 rate filing?

RESPONSE: (M/I-3 Mar 04) SDDC is reviewing current transit times. Transit times will remain as is until the review is complete. Any changes will be coordinated with the military services and industry prior to becoming effective and implemented in conjunction with the applicable rate cycle.

SUMMARY: (M/I-3 Mar 04) The Transit Times Task Force (TTTF) has been established. The task force is made up of SDDC and Industry personnel who will review the current transit time for Intra-theater Transit Time Tables. There is a meeting scheduled for 19 May 04.

UPDATE: (21 Sep 04) There are regularly scheduled meetings occurring until a complete review has been accomplished. We had our first meeting on 19 May 04. 12 standards were accomplished in establishing the transit times for Inter/Intra-theater, code 4 shipments. We met 5 more times after 19 May 04 and accomplished transit times for GQ, US81, US89, KS, JA01, JA02, JA03, and JA96. The Transit Time Task Force is made up of 10 members from Industry, 4 members from

HQ, SDDC, 2 members from SDDC Europe, and 1 member from SDDC Pacific. Two members from the Services are joining the Task Force. Each location of the transit time will be verified with operational data before moving to the next channel. Our next meeting is scheduled for 29 Sep 04. We will review historical data.

ESTIMATED CLOSURE: Open

ITEM: 331

PROPONENT: HOUSEHOLD GOODS FORWARDERS ASSOCIATION

STAFF PROPONENT: Carrier Quality and Performance Team

SUBJECT: DTR (Page IV O, para c) Quality Assurance (Invalidated LOIs)

INITIATED: February 14, 2004

DISCUSSION: In the new DTR carriers cannot resubmit an LOI with the same agent that was listed on their invalidated LOI if the invalidation of the LOI was due to the loss of agent. Industry is at loss as to why this restriction is extended to the international program. We see no purpose served to restrict agent representation in an arbitrary manner. Other questions remain. Is there a specific time period for the restrictions or is the restriction unlimited. The international agency world is very different from domestic. Oversea agency requirements for rate filing apply to the rate channel not just individual bases. Agent availability can be very restrictive overseas with as few as one or two in some areas.

RECOMMENDATION: The International program should be exempt from this restriction unless some relevance can be identified. In the alternative, TRANSCOM/SDDC should develop a policy that stipulates the length of restriction and provides for waivers in situations where agent service (availability) is limited.

RESPONSE: (M/I-3 Mar 04) In the past when agents notified TO that they would no longer represent a carrier, the carrier was given the 45 days period to provide a new agency representation. Within days of the carrier notifying the TO, the agent would send a second letter stating they no longer represent the carrier. This happened with domestic and international carriers and in many cases this has to do with non-payment of debts. We acknowledge that not all carriers fail to pay their just debts, but for FY 2003 SDDC responded to request for assistance that totaled \$430,857. We non-concur to a change to the present DTR.

SUMMARY: (M/I-3 Mar 04) Please refer to the TMA message DTG 021200Z FEB 04. Go to Personal Property/POV, Message, Carrier Qualification Performance, and TMA 01-04-LOI. TMA discusses the time period for restrictions. SDDC provided clarification regarding time period. Also, SDDC is preparing a DTR change to address the issue of resubmitting an LOI listing the same agent.

UPDATE: (21 Sep 04) A DTR change has gone forward for coordination with TRANSCOM to address the issue of resubmitting an LOI listing the same agent.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 337

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Service (Air Force)

SUBJECT: Unearned freight

INITIATED: June 28, 2004

DISCUSSION: Air Force setoffs for unearned freight often occur multiple times on the same shipment and the only information provided to the TSP is a total dollar amount of each setoff. Subsequently, invoicing the responsible agents for their liability is a hit and miss process and accuracy cannot be assured.

RECOMMENDATION: Air Force should provide an itemized list of the items being setoff, which could be easily done by circling setoff items on the DD Form 1844 (List of Property and Claims Analysis Chart). In the past, we have obtained this itemized information, but only upon request from the TO.

RESPONSE: (M/I-21 Sep 04) There appears to be a misconception regarding the issue of providing documentation to the carrier relative to unearned transportation charges. The documentation we are being asked to provide is already in the carrier's possession.

When loss or damage occurs during transit, the member files a claim by completing DD Form 1842 Claim for Loss and/or Damage to Personal Property Incident to Service and DD Form 1844, List of Property and Claims Analysis Chart, that identifies missing or damaged items by inventory number which is then submitted to local base claims office [the base claims office lists the cost to replace and the cost to repair based on claimant submitted documents with the far right column defining the carrier's liability]. The base claims offices at Air Force installations while completing the DD Form 1844 also prepare the Armed Forces Claims Information Management Service [AFCIMS] computer generated Claim's Adjudicator Summary which calculates the claimant's award amount and the carrier liability amount. If settlement does not occur at base level, then the claims is offset processed at the General Claims Division (JACC).

In accordance with the Code of Federal Regulations (CFR), Title 49, Volume 4, when the carrier settles a claim with [Air Force] base claims offices, the carrier should submit the transportation charges that correspond to the weight of the lost or destroyed items [specifically listed on the DD Form 1844] for which the carrier is liable or has been held liable. The same is true where voluntary settlement is reached with JACC. Section 375.15(b) states in part, "In the event that any portion, but less than all, of a shipment of household goods is lost or destroyed in transit, a motor common carrier of household goods in interstate or foreign commerce shall,

at the time it disposes of claims for loss, damage, or injury to the articles in the shipment as provided in part 370 of this chapter, refund charges (including any charges for accessorial or terminal services) corresponding to that portion of the shipment which is lost or destroyed in transit."

Where commercial carriers are not complying with the CFR. Upon settlement of a claim, the base claims office forwards a copy of the Claim Adjudicator Summary and the DD Form 1844 to the Air Force Excess Cost Adjudication (ECAF) function to recoup any unearned transportation charges that may be due the Government. Based on the weight of the destroyed/lost items involved, we go to the Defense Transportation Record System (DTRS) to obtain the applicable transportation rate/charges. We then send a computation worksheet to the Defense Finance And Accounting Service-Indianapolis IN (DFAS-IN) for setoff of the unearned transportation charges. The computation worksheet lists the carrier's name, the member's name and Social Security Number, the GBL number, and the code of service. Thus, the carrier has all the information needed to identify the shipment and item involved.

When carriers request that we provide them files relating to offset action, we advise them the information/documentation has already been provided. Claims information from base claims' offices, along with DFAS-IN notification of setoff action can be cross-referenced with their own files to obtain the requested information. The carriers usually state that those are old cases and it is too time consuming and costly to retrieve old files. ECAF only keeps the current and prior year's files on hand--files older than the prior year are transferred to a staging location. On all shipments moved, carriers have a GBL that lists the member's name, SSN, transportation rate, the inventory listing the property by item number, the DD Form 1844 listing the damaged or lost items, and either or both the DD Form 1844 and AFCIMS [Claim Adjudicator Summary] reflecting settlement of the claim.

SUMMARY: (M/I 21 Sep 04) Industry needed more time to review the response to this item. They could not give a response to this item at the 21 Sep 04 MI.

ESTIMATED CLOSURE: Open

ITEM: 338

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: Financial reviews for re-qualification deadline date

INITIATED: June 28, 2004

DISCUSSION: The deadline for CPAs to submit annual financial statements falls at the end of April for most companies. This is a busy time of year for CPAs. We do not understand if SDDC has a particular reason why they need this information at this time versus a month later, other than a general desire for current information.

RECOMMENDATION: Move the deadline date for financial reviews from the end of April to the end of May. This will help relieve some of the pressure from the CPA's who are in the middle of tax season.

RESPONSE: (M/I-21 Sep 04) SDDC agreed with recommendation. There will be a change in the How-to-do-Business Booklet that annual financial statements must be submitted within 150-calender days of year-end. A DTR change has gone to TRANSCOM for coordination.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 339

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: Regular Suspension Clarification

INITIATED: June 28, 2004

DISCUSSION: Appendix O, page IV-O-6, Where does it state that a TO can issue a Suspension Letter because there is \$1000 damage on a shipment? We received a suspension stating only that there were damages in excess of \$1000. In this section of the 4500, it references that there should be "evidence of fraud or deliberate damages." Cost on items and collectibles can easily exceed \$1000 in today's market. (Lladros, HD TV's, riding mower, etc.) Just because of the damage, that alone does not entail "evidence of fraud or deliberate damage." \$1000 is not an unusually high amount for a claim.

RECOMMENDATION: Clarify this item and/or set and specify a dollar amount that Industry agrees is valid grounds for an automatic suspension.

RESPONSE: (M/I-21 Sep 04) DTR 4500.9 C.4.c.(5), pg IV-O-15 states that estimated damages in excess of \$900 can be used by the origin TO to determine if a carrier will be suspended by the origin TO.

SUMMARY: (MI-21 Sep 04) An advisory message was sent out to all PPSO's thru TOPS. Reference DTR paragraph C.4.c.(5), page IV-O-15. Advises that although a shipment may have estimated losses/damages exceeding \$900, this alone should not necessarily result in an automatic carrier suspension.

ESTIMATED CLOSURE: Closed 21 Sep 2004.

ITEM: 340

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: Submission of 1840's

INITIATED: June 28, 2004

DISCUSSION: Carriers and bases are having a difficult time keeping track of whether and when an 1840 has been submitted.

RECOMMENDATION: TSP's should be allowed to submit 1840's via email using a PDF attachment of the scanned 1840 image. The email gives verification of when the 1840 is submitted and it would also help to reduce the flow of paperwork and mail. PPSOs could request a hard copy of a particular 1840 if there was a question about the document.

RESPONSE: (21 Sep 04) Some carriers already use the PDF attachment of the scanned 1840 image to submit their DD Form 1840. It is suggested that the carrier contact the TO for an email address. If the TO does not have an email address, the carrier will continue to send the DD Form 1840 by the present means (i.e. email, fax, or regular mail) ensuring the origin TO has the form in hand within 75 calendar days following delivery. As long as the form is legible, and the TO has the capabilities to obtain a printable copy of the DD Form 1840, the carrier can use the scanning method as a mean of submitting the form within 75 calendar days after delivery.

SUMMARY: SDDC and the Military Services will discuss this item at the next Personal Property Coordinating Council.

ESTIMATED CLOSURE: Open

ITEM: 341

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: TQAP Scores for Reinstated Carriers

INITIATED: June 28, 2004

DISCUSSION: Appendix O page IV-O-8&9: 6. Reinstatements; The wording of this entire section is confusing and often understood differently by various TO's and we as the TSP. The term 'non-use' is misleading and needs clarification. On page 9 paragraph c, this section where they talk of return to the TDR after invalidation needs rewrite to make it clear to everyone. Most of the appeals to SDDC come from different understanding of this section.

Example of an appeal: Had an active LOI with an agent listed on it until Apr 23, 2003; the TO retained our LOI/SCAC until June, 3, 2003 waiting for us as the carrier to obtain another agent. We did not obtain an agent, so they returned our LOI on June 3, putting us in non-use status. We submitted a new LOI in April 2004 placing an agent on the semi-annual 100 that was scored in the past scoring cycle. The Semi-annual worksheet dated Feb 2004 shows a 100, but the TO placed us on the TDR with a 90. They stated that a complete cycle passed without a LOI on file so I do not get the earned 100 score. I disagree, since they returned the LOI on June 3, 2003 (DS03) and we put the LOI back in during the DW04 cycle Apr 24, 2004 there never was a complete cycle that the LOI was not on file. The statement in middle of paragraph "c" also states "The carrier will then be placed on the TDR at the beginning of the new rate cycle at the last earned semiannual score".

RECOMMENDATION: Please clarify this section of the 4500 so TSP's can more clearly follow the rules.

RESPONSE: (M/I-21 Sep 04) The reference stated by the industry constantly states the score of 90 on both issues, not 100. In accordance with the regulation (DTR 4500.9, pg IV-0-9) their score should reflect a 90.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 342

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: LOI processing in 30 days

INITIATED: June 28, 2004

DISCUSSION: Section IV-402-8 L. #2: At switch-out time, often we do not receive the LOI back within 30 days, nor do we get any type of verification that they have the LOI and have not processed it. I have never had a TO that exceeded their 30 day window to process the LOI notify me in writing of the LOI's status.

Appendix A page IV-A-2 n: (1) When we fax or email LOI's to the TO, they are to sign Block 14 acknowledging receipt of the LOI. We never receive anything back until we get the approved/signed LOI back.

(2) Acceptance or rejection of the LOI within 30 calendar days of receipt and advise the carrier in writing of acceptance or reason for rejection. We need someone to clarify this 30-day rule. The QC department often receives and approves the LOI within the 30 days, but it may be 2-3 weeks later before the carrier gets the signed LOI back via the batch mail they use. This causes us to call for status of LOI's and ask for the approved LOI to be faxed. (the same as above only documented in Appendix A).

RECOMMENDATION: Notification via email to TSP that the LOI has been received and is being processed will cut down excess phone calls, fax charges, certified mail costs and provide the TSP with the exact date.

RESPONSES: (M/I-21 Sep 04) SDDC sent out a world-wide message to all PPSOs reminding them to acknowledge receipt of LOI's and make sure carriers receive notification of acceptance or rejection within the prescribed 30 days. There is no reason not to accept scanned LOI's via e-mail as long as they are completed and legible.

SUMMARY: Message can be located on the SDDC website. Go to Personal Property/POV, Message, General, and LOI processing in 30-days.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 343

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Operations Team

SUBJECT: Expiration of SIT

INITIATED: June 28, 2004

DISCUSSION: After reading the SDDC response from the Sept 23 '03 M/I meeting regarding the expiration of SIT I would like to ask for further clarification. I do believe the conversion issue has been settled, as we would want it to be. However a change should be made to the solicitations to protect us from future GSA chargebacks.

The current rate solicitation reads "a shipment or portion thereof may be placed in SIT one or more times for an aggregate period not to exceed 180 days UNLESS additional storage is authorized by the PPSO

SDDC Response notes "The issue is addressed in the new DTR, which became effective 6 Aug. 03. Where the current provision is that the SIT will automatically convert at the end of the specified time period, the revised provision contained in Chapter 406A.2.c states "carrier liability will terminate at midnight of the last day the carrier or warehouseman receives written notice from the TO that the entitlement has ended." This indicates affirmative action by the PPSO to terminate the SIT. Without such action, the SIT continues at government expense and the PPGBL/BL character of the shipment continues. A TMA providing clarification on what constitutes the written documentation will be provided to all PPSOs. A copy to be put on the web.

Then at a meeting of SDDC and the military services and with coordination between GSA, TOPS and PPS it has been determined that one of two discussed options would be utilized. In both cases the shipment will remain government in nature until the Transportation Office sends the carrier written notification that the shipment will be converted. The written notification will be in the form of a GBL correction notice SF1200.

In conversation with Bruce from Mid South, third party GSA auditor, he tells me the DTR is guidance with regulations for T.O.'s. He follows the regulations of the solicitation in which at the end of 180 days the shipment terminates and the warehouseman becomes the agent for the shipper.

We have been through a couple of issues in the past in which there was a written understanding (Diane Coleman MTMC explanation of how to figure boats over 14 ft.). We had a letter from her telling us how to bill. The chargebacks started and we protested, won and recovered on over 30 Notice of Overcharges. 6 months later, the same shipments had the same Notice of Overcharge with a different ruling. We lost. The miles over 30/50

last year, also was the issue of the DTR and the solicitation.

RECOMMENDATION: The rate solicitation should be modified to match the DTR language and eliminate any confusion.

RESPONSE: (21 Sep 04) Both the International and Domestic solicitations will be amended to reflect the amended change to the DTR.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 344

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services

SUBJECT: Booking with other than the booking agent

INITIATED: June 28, 2004

DISCUSSION: JPPSO Cos is now offering shipments directly to the agents instead of to the carriers who are listed on the LOI as the booking agent. Again, we have a problem with inconsistency, as the JPPSO initially decided to encourage carriers to list themselves on the LOI as booking agents, and now they aren't following their own procedures, due to a desire to get shipments moved no matter what it takes. We've added personnel to accommodate the offers and now, they begin offering directly to the agents. Carriers need to have control over the shipment offers, either directly or by delegating to a specified booking agent. If an agent hasn't been designated to accept bookings, the carrier wouldn't know that they need to train or educate that agent on whether they have the capacity to accept a shipment. It is also possible that the carrier could pack and haul shipments that the agent cannot. We may have access to capacity the agents don't, etc...

RECOMMENDATION: That JPPSO-COS start following the procedures in the DTR.

RESPONSE: (M/I-21 Sep 04) JPPSO-COS does not offer shipments directly to agents. The TOPS system and the ABCS system (Automated Booking System) does not allow or provide any means for JPPSO-COS to book directly with agents unless the agent is the booking agent for a carrier. JPPSO-COS has received numerous saturation letters and refusals that resulted in JPPSO-COS closing dates for pickup. The TOPS system closes dates for all areas when a specific date is closed. However, agents and carriers advised that there maybe areas that are not saturated. JPPSO-COS encouraged the local PPPO TMOs to survey their local agents for capability. If an agent had capability and identified a carrier, JPPSO-COS would try to book with the appropriate carrier as long as the carrier was in a shipment award position on the TDR – in other words, met all the required criteria.

JPPSO-San Antonio books all TBL shipments directly with the booking agent listed on the carriers' Letter of Intent. It then becomes the carriers' responsibility to either provide a servicing agent or to accomplish the origin pack and pickup services using their own personnel.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 345

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services

SUBJECT: Full Value Coverage

INITIATED: June 28, 2004

DISCUSSION: Some carriers are seeing an increase in the number of service members who are electing to purchase full value coverage.

RECOMMENDATION: The military services should advise how members are being counseled on this issue, to see if that accounts for the increase in members selecting this coverage.

RESPONSES: (M/I-21 Sep 04)

The Air Force counsels all member/employee on the option for increased valuation. Most member's queried responded that they were purchasing the full value coverage as the result of a prior bad move experience.

All members are counseled on the option for increased valuation. Members are using this option based on a prior move or knowing someone who had a bad move. The Army Campaign Family Briefing (Powerpoint) Notes states:

**•Soldiers and families will see some significant changes:
–Increased stability – longer tours (reduced # of career PCSs and damage to household goods)**

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 346

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Operations Team

SUBJECT: Agent representation in zones

INITIATED: June 28, 2004

DISCUSSION: At JPPSOs with multiple zones, does the carrier need to have an agent located in a particular zone in order to book shipments from that zone, or can the carrier name an agent in some other zone, and then either use that agent or have the driver pack and haul the shipment?

RECOMMENDATION: SDDC should clarify whether carriers need to name an agent in each zone in order to be offered shipments from that zone.

RESPONSE: (M/I-21 Sep 04) SDDC will not limit agent representation in an AOO. If an agent feels that they can represent a carrier in an AOO that they are not physically located in, we are not going to say they cannot until they eliminate themselves through non-performance.

ESTIMATE CLOSURE: Closed 21 Sep 2004

ITEM: 347

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Team

SUBJECT: TQAP scores via web

INITIATED: June 28, 2004

DISCUSSION: JPPSO-San Antonio now providing scores via a web link. While we appreciate their efforts to leverage technology to improve the process, it seems odd that scores are only available for 15 days when carriers have 45 days to appeal under the DTR. How can carriers retrieve scores after the 15 days?

RECOMMENDATION: Scoring information should be available for at least 45 days.

RESPONSE: (M/I-21 Sep 04) 15 days is a very reasonable timeframe to retrieve TQAP scores via a web link. Once accessed, the information on the link can be printed or saved in PDF format on a hard drive for historical or review purposes. Our monitoring of this process has shown that over 90% of the scores sent in the form of a web link are retrieved within the first 48 hours of being sent.

SUMMARY: (M/I 21 Sep 04) Additional explanation of this M/I is as follows: As required by the DTR the batch process is scheduled to run on the 15th and last day of the month and will remain available for download for 15 days. The 45 days appeal clock starts on the day it is available for download from the web. This actually gives the TSP more time for appeal because everyone knows they are available on that day so no waiting for the mail (the DTR establishes the postmark date for the 45 day appeal period). The reason for making them available for 15 days is logical in that the time allotted bumps right against the next download cycle. This process is certainly more efficient for industry and DOD because everyone has access to the information like clockwork and tracking ability as good as registered mail.

ESTIMATED CLOSURE: Closed 21 Sep 2004.

ITEM: 348

PROPONENT: HOUSEHOLD GOODS FORWARDERS ASSOCIATION

STAFF PROPONENT: Operations Team

SUBJECT: Container Banding - Alternate Methods

INITIATED: July 9, 2004

DISCUSSION: The SDDC PAM 55-12 provides that containers be reinforced with banding. The requirement is that banding should be steel strapping a minimum of 3/4 of inch in width. Much of the Industry has adopted for commercial purposes the use of PET (Polyester) bands for both UAB and HHG since it is less dangerous to work with and more environmentally friendly. The bursting strength is the same on ISO-9000 PET Bands as it is for steel.

RECOMMENDATION: Industry recommends that SDDC explore and possibly test the use of PET banding and subsequently amend PAM 55-12 to allow for the use of the PET banding as an 'alternative' to steel on both UAB and HHG.

RESPONSE: (M/I-21 Sep 04) SDDC has already issued guidance that any material that meets or exceeds the present standard can be used. We will have the SDDC PAM amended to read the same.

ESTIMATED CLOSURE: Closed 21 Sep 2004

ITEM: 349

PROPONENT: HOUSEHOLD GOODS FORWARDERS ASSOCIATION

STAFF PROPONENT: Operations Team

SUBJECT: DTR - SIT Conversions to Private (Commercial) Storage

INITIATED: July 9, 2004

DISCUSSION: Previous Agenda Items #294 and #328 have generated several questions relating to the process and procedure when a Storage-In-Transit shipment has either been terminated and/or the entitlement for SIT has expired. We have attempted to outline those questions and issues below, but recognize additional information and discussion may be necessary before guidance can be provided.

1. Who acts as the service member's agent when a shipment is converted from SIT at government expense to commercial storage? Somebody acting on behalf of the service member should be required to sign a DD1840 and an inventory rider or exception sheet that notes damage not previously described on the inventory. Preparation of a rider is very important because it establishes that the destination warehouse will not be liable for damages that occurred while the shipment was governed by the GBL. The destination warehouse cannot act as the shipper's agent because it is already acting on behalf of the GBL carrier and there would be an obvious conflict of interest.
2. Industry believes the government should be required to provide up-to-date contact information for the member before converting a shipment into commercial storage. Otherwise the warehouse operator has no way to contact the shipper to enter into an agreement, collect their charges or deliver an auction notice. Under many state laws the storage warehouse cannot auction off a shipment without notifying the owner, which can be an involved and time consuming process.
3. Industry believes there should be a reasonable period of time between the issuance of a Notice of Termination and the actual Termination Date. This will allow the warehouse operator sufficient time to make contact with the service member and arrange for the storage or schedule for delivery and/or release of the goods to another party. Thirty days would be sufficient.
4. Industry would like to have clarification on how Transportation Providers are paid for delivery services on shipments converted to commercial storage? Our position is that a TP should be paid the normal delivery out of SIT charges because the shipment has to be removed from its storage location, de-containerized, unpacked and unwrapped in order to accomplish a proper inspection and rider/exception sheet to the inventory. Furthermore, we believe its not proper to deduction \$3.00 per Ncwt. for non-performance of unpacking because unpacking needs to be done in order to inspect items for loss or damage. GSA regularly offsets carriers for the \$3.00 per Ncwt. non-performance of

unpacking on SIT conversions. It may be that the government thinks nothing happens on a conversion: that it is only a matter of some paperwork. In fact, to establish proper liability the entire shipment must be de-containerized, unpacked, inspected and then repacked and re-containerized into the destination warehouse's storage vaults, actually double the work of a normal delivery.

4. Industry would like clarification on the on-going liability for a shipment that has converted to commercial storage. The question is how can a military claims office hold the storage warehouse (destination agent) liable for damages to a commercial shipment? What jurisdiction do they have over a shipment that has been converted to commercial storage? What level of liability applies? Shouldn't the level of liability be governed by the warehouse's commercial practice/contract and shouldn't settlement of a claim be a private matter between the commercial customer and the warehouse?

5. What about the carrier's right to inspect damages noted on a DD1840 at time of conversion? If the shipment goes into commercial storage then the carrier cannot conduct an inspection by a qualified repair company or appraiser. (The destination warehouse is not qualified to conduct this inspection - it requires a trained professional.) The inspection cannot wait until final delivery because some types of damage, such as rust or mold, will get worse over time. Can the carrier then deny liability for all damages noted on a DD1840 on the grounds that it was denied its right to perform an inspection? Can the carrier charge the commercial customer (member) for the cost of temporarily removing the shipment from storage in order to conduct an inspection?

RECOMMENDATION: Industry would like to be provided clarification on the issues and question raised above. Since this topic effects so many shipments and has implications to some many entities i.e., service members, carrier, carrier agent, claims service, etc., it may prove beneficial to set up an ad hoc review committee to drill down into the issues.

RESPONSE: (M/I-21 Sep 04) Due to the extensive nature of the questions posed, it is the recommendation of SDDC that a board of SDDC, Services, and Industry be called together to discuss and resolve these concerns. If any issues remain upon the completion of the board they could be readdressed at this forum. All issues resolved will be explained and put out in a point paper to SDDC, Services, and Industry.

ESTIMATED CLOSURE: Open

ITEM: 350

PROPONENT: General Services Administration

STAFF PROPONENT: Domestic and International Rates Team

SUBJECT: Ocean Bill of Lading

INITIATED: September 8, 2004

The following is the issue with the Ocean Bill of Lading.

In the Solicitations D-8 and D-9, the carrier is no longer required to furnish the ocean bill of lading form to prove the HHG's shipment went via Seattle and not the Montana Gateway. There can be a significant difference in the mileage. GSA has advised the carriers that we may ask for a copy of the OBL or Canadian Manifest form when we do the post payment audit.

This issue is in regard to the construction of miles to/from Alaska and to/from the lower 48 states effective with implementation of the D-8 Solicitation.

The D-7 Solicitation gave us specific rules as to how miles to/from Alaska would be figured per item 302, paragraph c.

- (1) On shipments to or from Alaska, moving to or from the lower 48 states, the shipment mileage shall be computed according to the actual route specified by exit or entry point of the lower 48 states (i.e. Great Fall, MT or via Seattle/Tacoma WA).
- (2) The carrier must submit, along with the PPGBL, the following copies of documentation:
 - (a) Ocean Bill of Lading for shipments transiting via Seattle/Tacoma, WA.
 - (b) US-Canada Transit Manifest Customs Form for shipments transiting via Great Falls, MT.

If carrier does not furnish documentation, then the shortest applicable route will apply.

When the D-8 was published effective November of '03, paragraph c (above verbiage) was omitted. Item 302 (Governing Mileage Guide) (a) reads "Where rates are based on mileage, the distance or mileage shall be that provided in the Defense Table of Distances (DTOD). With clarification in the summary of changes noting item 302 page 3-1

Amended verbiage to reflect DTOD as the Governing mileage guide. There are no further paragraphs.

Therefore there will be no other means of constructing miles to/from Alaska other than the rules noted in DTOD. They are: Per DTOD: Calculating Distances to & from Alaska:

1. Calculate Distance from Origin to Tacoma/Seattle, WA
2. Add Statute Distance (2,399 miles) from Seattle/Tacoma to Anchorage, AK
3. Add Calculated Distance from Anchorage to Final Destination Within State of Alaska

NOTE: From Alaska to Lower 48, use same procedure in reverse order.

It is GSA's position that SDDC did not envision that shipments would go via the Montana Gateway or that the Seattle mileage would apply on shipment moving via that Gateway.

NOTE: D-8 & D-9, Appendix 3A-1, Billing Procedures/Instructions (8) Copy of commercial ocean/air freight bill for shipments between points in CONUS and points outside of CONUS must be submitted as requested by Army and Air Force, and is required by Navy, Marine Corps, & Coast Guard.

RESPONSE: We are currently staffing the necessary correspondence to restore the original D-7 guidance for both D-8 and D-9 solicitation. Additionally, we will propose that the DTOD web site be amended to include a method to determine land mileage. If approved, this will appear as a Mod to the D-9 solicitation, due 1 Nov 04.

ESTIMATED CLOSURE: Open